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SUBJECT: ISSAM FARES: NO PLANS TO RETURN TO LEBANON

Classified By: Political Minister-Counselor Josiah Rosenblatt, reasons
1.4 (b) and (d).

¶1. (C) Summary: Former Lebanese Deputy Prime Minister Issam Fares told us April 27 that he has no plans to return to Lebanon, saying that he preferred to remain focused on his business interests. He categorically denied rumors that Lebanese President Lahoud would appoint him as a caretaker Prime Minister at the expiration of Lahoud's term: "Lahoud has never contacted me, and even if he did I would say no." Fares expressed dismay with the current political stand-off in Lebanon, noting that he held the March 14 and March 8 forces equally responsible for the impasse. He predicted that a Chapter VII UNSCR establishing the International Tribunal would only make the impasse worse, and instead advocated the passage of a new electoral law, followed by fresh parliamentary elections prior to the scheduled presidential election. End summary.

No to Lebanon, Yes to Curlin

¶2. (C) Embassy Paris NEA Watcher joined Former Lebanese Deputy Prime Minister Issam Fares and his wife Hala for lunch on Fares' 65m luxury yacht the "Wedge Too" (which replaced an earlier yacht named the "Wedge") on April 27 in Monaco. In a cavernous sitting room suffused with the glow of teak paneling and carefully filtered light, the unfailingly gracious Fares perched happily on what can only be termed a throne (replete with silver frame and extravagant purple cushions) and shared his analysis of political developments in Lebanon.

¶3. (C) Fares denied rumors that he is contemplating a return to Lebanon. To do so, he said, would "send the wrong message" at a time when he holds the March 14 majority and March 8 minority equally responsible for the political stand-off in Lebanon. Lebanon, he continued, is divided into thirds: not a Sunni-Shiite-Christian split, but rather a third of the population that supports the majority, a third that supports the minority, and a third that considers itself independent and remains aloof from either camp. "That's where I am," said Fares.

¶4. (C) Moreover, Fares candidly admitted, he was enjoying the good life: dividing his time between his custom-built yacht (plans are underway for a third yacht, the "Wedge Three," for his children and grandchildren to use), his residence in Switzerland (to say nothing of his homes in Cannes, Paris and London), and tending to his business affairs. Indeed, Fares has become much more involved in the day-to-day managing of his business interests since the death of his CEO earlier this year, and seems to enjoy the more hands-on role. "We've

done really well," he chortled happily, adding that he has regained in the past two years all of the money he lost during his decade of involvement in Lebanese politics.

15. (C) Last but not least, Issam has been able to indulge his love of breeding thoroughbreds through Fares Farms in Kentucky's bluegrass country. He observed happily that one of his horses, Curlin, is a favorite to win this year's Kentucky Derby. "So we're saying no to Lebanon, and yes to Curlin!" Hala cried enthusiastically.

No Intention of Being Caretaker PM

16. (C) Asked about a rumor circulating in Beirut to the effect that President Lahoud, as his last act in office, might appoint Fares as the Prime Minister of a caretaker government, Issam denied the rumor categorically. "This is the first I've heard of such a rumor . . . Lahoud has never contacted me, and even if he did I would say no," Fares declared. Indeed, he said he would turn down such an appointment even if the idea were pitched by Washington. "It just wouldn't be feasible," said Fares, who said U.S. Ambassador to Lebanon Jeffrey Feltman has "carte blanche" to cite his denial if the rumor continues.

17. (C) As for Lahoud, Fares said he sees the Lebanese president as "constitutionally legitimate" (inasmuch as the Lebanese constitution was amended to permit Lahoud's continuation in office) but lacking in political legitimacy (inasmuch as the constitution was amended at Syria's behest). Fares said he saw the government led by PM Fuad Siniora in the same light: the government remained constitutionally legitimate (notwithstanding the resignation of the Shiite ministers, since they walked out of their own accord) but

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politically illegitimate (due to the widespread belief in Lebanon that the government should operate by consensus among the major ethnic groups).

18. (C) Predicting that a Chapter VII UNSCR establishing the Special Tribunal for Lebanon would only intensify the current political impasse ("It will be a catastrophe. My advice to you is wait until after President Chirac goes before proceeding with a resolution"), Fares advocated passage of a new electoral law and the holding of new parliamentary elections prior to the scheduled presidential election in late 2007. Though Fares declined to endorse any potential presidential candidate, he noted that Central Bank Governor Riad Salameh had the twin attractions of strong financial skills and being politically weak. "Weak is good," said Fares. As for Boutros Harb, Fares described him as "the greatest parliamentarian in Lebanon" but said he was not presidential material. Hala Fares clearly appeared to favor Michel Aoun's much-anticipated candidacy.

19. (C) Fares criticized PM Siniora for being "too negative," a trait which Fares said had served Siniora well at an earlier stage in his career but one which was poorly suited to his current position as Prime Minister. As for Saad Hariri, Fares saw him as being easily manipulated by his March 14 allies Walid Joumblatt and Samir Geagea. "Frankly, I'm disappointed. He's not developing into the man his father was," said Fares.

110. (C) Comment: While we were not entirely persuaded that he had not heard the rumors swirling in Beirut about his possible return to Lebanon, Fares appeared sincere in his determination not to return to the political maelstrom of Beirut -- and its attendant dangers. Set against the background of an inimitable spring day in Monaco, a perfectly choreographed lunch, and the undeniable charms of the "Wedge Too," we found his self-professed determination to continue living the good life quite convincing.

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